



FAIR POLITICAL PRACTICES COMMISSION

428 J Street • Suite 620 • Sacramento, CA 95814-2329

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December 16, 2011

✓ Stephen L. Poizner
Steve Poizner for Governor 2010 (1311517)
c/o Betty Presley & Associates, Inc

REDACTED

Warning Letter Re: FPPC Case No. 110858; Stephen Poizner

Dear Mr. Poizner:

The Fair Political Practices Commission (the "FPPC") enforces the provisions of the Political Reform Act (the "Act"),¹ found in Government Code section 81000, et seq. This letter is in response to an audit report referred to us by the Franchise Tax Board. The audit covered the period January 1, 2008 through June 30, 2010. A copy of the audit report is enclosed for your information.

The audit found that some campaign expenditures were made from the candidate's personal funds and that payments made to SSG Media Inc were understated on one pre-election statement. Section 85201 of the Act requires that any personal funds to be used to promote the candidate's election must be deposited into the campaign bank account. Section 84211 specifies when expenditures must be itemized in the campaign statements.

The findings in the audit report constitute violations of the Act. The dollar amount of expenditures made from the candidate's personal funds was small in relation to the overall campaign activity. Additionally, the committee discovered the understated expenditures to SSG Media and filed an amended statement. Therefore we have decided to close this case with a warning letter.

This letter serves as a written warning. The information in this matter will be retained and may be considered should an enforcement action become necessary based on newly discovered information or future conduct. Failure to comply with the provisions of the Act in the future will result in monetary penalties of up to \$5,000 for each violation.

¹ The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

A warning letter is an FPPC case resolution without administrative prosecution or fine. However, the warning letter resolution does not provide you with the opportunity for a probable cause hearing or hearing before an Administrative Law Judge or the FPPC. If you wish to avail yourself of these proceedings by requesting that your case proceed with prosecution rather than a warning, please notify us within ten (10) days from the date of this letter. Upon this notification, the FPPC will rescind this warning letter and proceed with administrative prosecution of this case. If we do not receive such notification, this warning letter will be posted on the FPPC's website ten (10) days from the date of this letter.

Please feel free to contact Program Specialist William Marland with any questions you may have regarding this letter.

Sincerely,

R E D A C T E D

✓ Gary S. Winuk
Chief, Enforcement Division

Enclosure